



NEWS RELEASE

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USDA RURAL DEVELOPMENT ASSISTS ELIGIBLE TEXANS WHO ASPIRE TO BE HOMEOWNERS

TEMPLE, TEXAS, August 17, 2005 – USDA has the unique responsibility of coordinating Federal assistance to rural areas of the Nation. USDA Rural Development works to make sure that rural citizens can participate fully in the global economy by utilizing technical assistance and programs that help rural Americans build strong economies to improve their quality of life.

USDA Rural Development housing programs assist eligible low and moderate-income rural Texans in becoming homeowners. Bryan Daniel, USDA Rural Development State Director, feels that potential homeowners simply assume the area in which they wish to buy a home is not eligible for assistance.

“USDA Rural Development housing programs target communities with populations of 10,000 or less and locations not closely associated with urban areas. Under certain circumstances loans can be made in towns and cities between 10,000 and 25,000 in population,” said Daniel. “Never assume an area is not eligible for the programs.”

The Guaranteed Rural Housing loan program allows eligible applicants the option of financing many of the closing costs associated with purchasing a house into the loan, which eliminates the need for a down payment. The applicant may borrow up to 102% of the appraised value of the home. Private lenders, such as mortgage companies and commercial banks make USDA Rural Development Guaranteed Loans which have a 30-year term and a competitive fixed interest rate. The maximum loan limitations are determined by the applicant’s income and repayment ability.

If applicants have an income below 80% of the median income level in the communities in which they live, the Direct Loan Program could be a more feasible option for homeownership. This program gives the applicant direct financial assistance from the USDA Rural Development housing programs in the form of a home loan at an affordable interest rate. The loan may be used for the purchase of an existing home or for new home construction which allow very low income households the opportunity to obtain modest, decent, safe and sanitary housing.

Many low income applicants may already own a home, but are looking to make their living situation better for their family. The Home Repair Loan Program can provide loans and grants for renovation of housing already owned by the applicant. It can also provide funds to make a home accessible to someone with disabilities. These loans are on a fixed 1% interest rate directly from the USDA Rural Development housing programs. Also under this program, eligible applicants who are homeowners 62 years of age and older are eligible for home improvement grants to improve their living situation.

To find out if you are eligible for USDA Rural Development housing programs call (254) 742-9770 or visit our website at: <http://www.rurdev.usda.gov/tx/>.

Committed to the future of rural communities.

“USDA is an equal opportunity provider, employer and lender.”

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).